

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Cardoza Analyst: Colin Stevens Bill Number: AB 1513

Related Bills: \_\_\_\_\_ Telephone: 845-3036 Amended Date: 7/8/98

Attorney: Doug Bramhall

Sponsor: \_\_\_\_\_

**SUBJECT:** Agricultural Prunings Delivered to Biomass Conversion Facility Credit

- x   DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended MAY 12, 1998.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.
- x   REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED MAY 12, 1998, STILL APPLIES.
- OTHER - See comments below.

### SUMMARY OF BILL

Under the Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), this bill would allow a credit equal to \$30 for each ton of agricultural prunings grown in California and delivered without charge to a biomass facility in a form suitable for biomass conversion. The credit would be certified by the Department of Food and Agriculture (DFA) and allowed only to the grower of the agricultural prunings.

### SUMMARY OF AMENDMENT

The July 8, 1998, amendments make several changes to the bill, many of which were suggested in the Franchise Tax Board's analysis of the bill as amended May 12, 1998. Among other things, the amendments would:

- provide that owner-operators of biomass facilities would not be considered growers, and thus would not be eligible for credit under this bill;
- require that taxpayers provide information necessary to verify the credit and taxpayers' identification numbers, retain any certificates provided by the Department of Food and Agriculture, and provide those certificates to the Franchise Tax Board (FTB) upon request; and
- make other clarifying technical changes.

Other than the resolution of the implementation and technical considerations identified in the department's analysis of the bill as amended May 12, 1998, the department's prior analyses still apply.

### Board Position:

|                  |                   |                      |
|------------------|-------------------|----------------------|
| <u>      </u> S  | <u>      </u> NA  | <u>      </u> NP     |
| <u>      </u> SA | <u>      </u> O   | <u>      </u> NAR    |
| <u>      </u> N  | <u>      </u> OUA | <u>  x  </u> PENDING |

Department/Legislative Director

Date

Johnnie Lou Rosas

7/22/98